



***The Chamber of
Commerce of Hawaii***

Since 1850

Testimony to the Hawaii Public Utilities Commission

Tuesday, October 5, 2004; 6:00 p.m.

Auditorium, State Capitol

RE: DOCKET NO. 04-0140 – THE CARLYLE GROUP PURCHASE OF VERIZON HAWAII

Chairman Caliboso, Commissioner Kimura and Commissioner Kawelo:

My name is Jim Tollefson, and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). **The Chamber supports the purchase of Verizon Hawaii by The Carlyle Group ("Carlyle")**

As the "Voice of Businesses" in the State, The Chamber is acutely aware of how important telecommunications services are to residents, businesses and to the economy. Telecommunications services are not only an integral part of our everyday lives and business operations, but are also a key driver of the State's economy.

The Chamber believes that the proposed sale of Verizon Hawaii to Carlyle will be good for Hawaii's residents and the State's economy for the following reasons:

1. Additional jobs are expected to be created as a result of operations that are currently being performed on the mainland being relocated to Hawaii. Those jobs will mean more opportunities for Hawaii's residents to find good jobs and remain at home, in addition to contributing to the State's economy.
2. Carlyle will invest heavily in the telecommunications infrastructure ensuring that Hawaii will continue to benefit from a state-of-the-art network with advanced products and services.
3. Recreating Verizon Hawaii as a locally based and focused company should improve its responsiveness to the market and customer demands.
4. Opportunities for local businesses to be vendors to the new company should increase as its operations become more locally focused which will benefit Hawaii's economy.
5. Carlyle brings to the new company extensive telecommunications experience at the highest levels that will benefit the new company.
6. Carlyle commits to the new company to continuing to be a good corporate citizen in the communities it serves and operates.

The proposed sale of Verizon Hawaii to Carlyle offers Hawaii a unique opportunity to recreate the nationally owned and operated telephone company into a local company again. The Chamber respectfully requests that the Commission allow Hawaii to grasp this opportunity so that we can realize the benefits that it offers.

Thank you for the opportunity to testify.